CHAPTER 80
PROCEDURE AND METHOD OF PAYMENT
[Prior to 7/1/83, Social Services[770] Ch 80]

441—80.1(249A) The fiscal agent function in medical assistance.

80.1(1) *General administrative responsibilities of fiscal agent.* The fiscal agent designated by the department will perform the following primary functions:

a. Receive, process and pay claims submitted by providers of medical and remedial care participating in the program.

b. Make available instructional materials and billing forms to providers participating in the program.

c. Provide reports, statistical and accounting information as required by the department.

d. Participate with staff of the department in analysis and evaluation of policies and procedures.

e. In cooperation with the department develop and carry out a continuous program of cost and utilization review which is applicable to all groups of providers participating in the program. The purpose of cost and utilization review is to ensure that only required medical and health services are being provided to recipients of medical assistance in accordance with department policy and that the cost of the services is not in excess of that charged the general public.

80.1(2) *Method of selection of fiscal agent*. The department shall publish a request for proposal announcing the forthcoming selection of a fiscal agent for the medical assistance program and outline the elements of the fiscal agent contract. The department will receive sealed bids from prospective fiscal agents for the medical assistance program. Basis of competitive bidding will be a per claim rate which would be applicable to all claims processed by the fiscal agent under the program in combination with an evaluation of technical, business and financial aspects of the bidders. A certified check payable to the Iowa department of human services in the amount of $50,000 shall be filed with each proposal. This check may be cashed and the proceeds retained by the department as liquidated damages if the bidder fails to execute a contract and file security as required by the specifications issued by the department. Proposals containing any reservations not provided for in the specifications may be rejected and the department reserves the right to waive technicalities and to reject any or all bids.

80.1(3) *Reimbursement of fiscal agent for performance of contract*. All allowable costs other than amount paid providers of medical and remedial care and services shall be referred to as administrative costs.

a. Rate per claim. Administrative costs other than those not associated with the processing of claims as set forth below shall be based on a fixed rate per claim handled. The fiscal agent will bill the department once each month the sum of the bid price multiplied by the number of original adjudicated claims.

b. Costs not associated with processing of claims. Costs not associated with processing claims will be established by contract with the fiscal agent. The fiscal agent will bill the department under separate voucher for these services according to the dates agreed upon by contract.

This rule is intended to implement Iowa Code section 249A.4.

441—80.2(249A) Submission of claims. Providers of medical and remedial care participating in the program shall submit claims for services rendered to the fiscal agent on at least a monthly basis. All nursing facilities and providers of home- and community-based services shall submit claims for services after end of the calendar month in which the services are provided. Following audit of the claim the fiscal agent will make payment to the provider of care.

80.2(1) Electronic submission. Providers are encouraged to submit claims electronically whenever possible.

a. Ambulance service providers may bill electronically only when the procedures performed are identified by codes based on the ones that Medicare recognizes as emergency and support medical necessity without a review by the fiscal agent.

b. When filing electronic claims, pharmacies shall use the format prescribed by the National Council for Prescription Drug Programs.

c. Claims submitted electronically after implementation of the Health Insurance Portability and Accountability Act of 1996 shall be filed on the Accredited Standards Committee (ACS) X12N, Health Care Claim. The department shall send all providers written notice when the Act is implemented.

(1) Providers listed as filing claims on Form HCFA-1500 or on the Claim for Targeted Medical Care shall file claims on the professional version of the Health Care Claim.

(2) Providers listed as filing claims on Form HCFA-1450 or on the Iowa Medicaid Long-Term Care Claim shall file the institutional version of the Health Care Claim.

(3) Dentists shall file the dental version of the Health Care Claim.

(4) Pharmacists providing drugs and injections shall use the format prescribed by the National Council for Prescription Drug Programs.

80.2(2) Claim forms. Claims for payment for services provided recipients shall be submitted on Form HCFA-1500, Health Insurance Claim Form, except as noted below.

a. The following providers shall submit claims on Form UB-92, HCFA-1450:

(1) Home health agencies providing services other than home- and community-based services.

(2) Hospitals providing inpatient care or outpatient services, including inpatient psychiatric hospitals.

(3) Psychiatric medical institutions for children.

(4) Rehabilitation agencies.

(5) Hospice providers.

(6) Medicare-certified nursing facilities.

(7) Nursing facilities for the mentally ill.

(8) Special population nursing facilities as defined in rule 441—81.6(249A).

(9) Out-of-state nursing facilities.

b. All other nursing facilities and intermediate care facilities for the mentally retarded shall file claims on Form 470-0039, Iowa Medicaid Long-Term Care Claim.

c. Pharmacies shall submit claims on the Universal Pharmacy Claim Form when filing paper claims.

d. Dentists shall submit claims on the dental claim form approved by the American Dental Association.

e. Rehabilitative treatment providers serving people under age 21 shall submit claims on Form 470-0020, Purchase of Service Provider Invoice, pursuant to rule 441—185.121(234).

f. Providers of home- and community-based waiver services, including home health agencies providing home- and community-based waiver services shall submit claims on Form 470-2486, Claim for Targeted Medical Care.

g. Case management providers shall submit claims on Form 470-2486, Claim for Targeted Medical Care, for services provided pursuant to 441—Chapter 24 and on FACS-generated claims for services provided pursuant to 441—Chapter 186.

h. Providers who send an Explanation of Medicare Benefits or a crossover claim for Medicare beneficiaries to the fiscal agent are exempt from filing these forms for those beneficiaries.

80.2(3) Providers shall purchase or copy their supplies of forms HCFA-1450 and HCFA-1500 for use in billing.

This rule is intended to implement Iowa Code section 249A.4.

441—80.3(249A) Amounts paid provider from other sources. The amount of any payment made directly to the provider of care by the recipient, relatives, or any source shall be deducted from the established cost standard for the service provided to establish the amount of payment to be made by the carrier.

441—80.4(249A) Time limit for submission of claims and claim adjustments.

80.4(1) *Submission of claims*. Payment will not be made on any claim where the amount of time that has elapsed between the date the service was rendered and the date the initial claim is received by the fiscal agent exceeds 365 days. The department shall consider claims submitted beyond the 365-day limit for payment only if retroactive eligibility on newly approved cases is made that exceeds 365 days or if attempts to collect from a third-party payer delay the submission of a claim.

EXCEPTION: Rehabilitative treatment service providers serving people under the age of 21 shall submit claims pursuant to rule 441—185.121(234).

80.4(2) *Claim adjustments*. A provider's request for an adjustment to a paid claim must be received by the fiscal agent within one year from the date the claim was paid in order to have the adjustment considered.

EXCEPTION: Rehabilitative treatment service providers serving people under the age of 21 shall have claim adjustments processed pursuant to rule 441—185.121(234).

This rule is intended to implement Iowa Code sections 249A.3, 249A.4 and 249A.12.

441—80.5(249A) Authorization process.

80.5(1) *Identification cards*. A medical identification card shall be issued to recipients for use in securing medical and health services available under the program. The cards are issued by the department on a monthly basis and are valid only for the month of issuance. Payment will be made for services provided an ineligible recipient when verification establishes that the recipient was issued a medical identification card for the month in which the service was provided.

80.5(2) *Third-party liability.* When a third-party liability for medical expenses exists, this resource shall be utilized before payment is made by the Medicaid program unless the pay and chase provisions defined in rule 441—75.25(249A) are applicable or when otherwise authorized by the department.

441—80.6(249A) Payment to provider—exception. Payments for medical services may be made only to the provider of the services except as provided below:

80.6(1) *Medical assistance corrective payments.* Payment may be made to the client or county relief agency in accordance with rule 441—75.8(249A).

80.6(2) *Assignment.* Payment may be made in accordance with an assignment to a county for medical services received while the recipient was receiving interim assistance or while an appeal of a denial of medical assistance was pending.

80.6(3) *Business agent of provider.* Payment may be made to a business agent that furnishes statements and receives payments in the name of the provider if the agent's compensation is:

a. Related to the cost of processing the billing.

b. Not related on a percentage or other basis to the amount that is billed or collected.

c. Not dependent upon the collection of the payment.

These rules are intended to implement Iowa Code section 249A.4.

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